



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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| 2003 Assembly Bill 417 | Assembly Amendment 1 |
| <i>Memo published:</i> February 26, 2004 | <i>Contact:</i> Dan Schmidt, Analyst (267-7251) |

Current law provides that as work proceeds on a state governmental construction project, or a construction project or supply contract in excess of \$1,000 in the case of a local governmental unit, the state or local governmental unit must retain 10% of the estimate of the value of the work or contract until 50% of the work is completed. When 50% of the work is completed, further partial payments must be paid in full to the contractor with no retainage unless the architect or engineer for the project certifies that the job is not proceeding satisfactorily. If the work is certified as unsatisfactory, the state or local governmental unit may continue to retain part of the payments up to 10% of the value of the work completed.

2003 Assembly Bill 417 modifies the current retainage provisions to require state and local governmental units to retain up to 5% of the estimated value of the project until 100% of the work is completed.

Assembly Amendment 1 removes the retainer requirement for 100% completion of the work and restores the provision that prohibits additional retainage upon 50% completion of the project unless the architect or engineer certifies that the project is not proceeding satisfactorily. Under the amendment, if the work is deemed unsatisfactory after 50% of the project is completed, additional amounts may be retained from payments up to 10% of the value of the work completed.

Assembly Amendment 1 was adopted by a voice vote of the Assembly and 2003 Assembly Bill 417 was passed by the Assembly, as amended, by a vote of Ayes, 88; Noes, 9; on February 24, 2004.

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